

FS unemployment drops slightly

By: Martin Makoni

The Free State province recorded a slight drop in unemployment in the second quarter of this year following a 20 000 increase in the number of people employed compared to the same period last year.

This means the number of people employed in the province now stands at 808 000 from 788 000 between April and June last year. On a quarter to quarter basis, the province saw 6 000 more people getting jobs compared to the first quarter of this year. The Free State has a population of nearly 2.9 million people.

These figures are contained in the latest Quarterly Labour Force Survey (QLFS) released by Statistics South Africa on Tuesday. The QLFS is a household-based sample survey which collects data on the labour market activities of individuals aged 15 years and older living in South Africa. The published report only focuses on persons aged 15-64 years old.

The increase in the number of people with jobs in the province has seen the official unemployment figure dropping from about 431 000 in the first quarter of this year to about 423 000 in the second, a difference of over 7 000 jobs.

This saw the official unemployment rate shed 0.5 percentage points to 34.4 percent from 34.9 percent in the quarter of January to March this year. However the expanded unemployment

rate, which includes discouraged job seekers, remains at a worrying 41.6 percent.

But Central University of Technology (CUT) senior economics lecturer Mgcinazwe Zwane and Efficient Group chief economist Dawie Roodt told *The Weekly* in telephone interviews yesterday that the province should not celebrate just yet given that the country's official unemployment rate actually gained 1.4 percentage points from 27.6 percent to 29 percent, which is very worrying.

"Yes, the drop is quite a relief to the Free State, but it might be too soon to celebrate," said Zwane.

"We have been calling for the creation of at least some temporary jobs to alleviate the situation and this could be the result. Someone might have heeded our call but it should not end there. We need more permanent and sustainable jobs because when people have some form of job security, they are able to plan their lives better. Road construction jobs and the EPWP (Expanded Public Works Programme) can only sustain people for some time," he added.

Asked whether the province's outward migration which is expected to top 162 982 against inflows of 141 185 by 2021 could have contributed to the latest drop in unemployment, Zwane said there is a possible link to the figures.

"That could be one of the reasons. There is a link because when people leave one province,

it opens up opportunities. It could be a small factor, but it does contribute in some way," noted Zwane.

Roodt said a while a drop in the unemployment figure in any province is good, the national figure remains a major concern.

He pointed out it's however very important to note that the real problem faced by the country is not unemployment but low economic growth.

"At this point, the country doesn't have to try anything new because the problem is not about people not having jobs. What the country needs now is to grow the economy and jobs will follow because businesses will be hiring. So, it's important for government to play its role of creating an enabling environment and get out of the way so that businesses can operate," explained Roodt.

He said there is a lot of tourism potential in the eastern Free State waiting to be tapped and the province should take advantage of that and sell attractive packages.

"Don't create jobs, focus on wealth creation. Grow the economy and jobs will follow. There are many beautiful places in the eastern Free State which people can visit and spend money but those places have to be marketed widely to attract people. We should also have respect for property rights so that investors can set up their businesses and operate freely. Starting businesses should also not be complicated. Cut the red tape, that's how we create wealth," Roodt indicated.

The country's expanded unemployment rate is 38.5 percent and it's believed that about 50 percent of those without jobs are youths.